

## **UNITED SETTLEMENT OUTLINE FOR REGULATORS**

The following is an outline of Settlement Relief that will be awarded to Class Members pursuant to the Stipulation of Settlement.

- The number of policies eligible for Relief under the Stipulation of Settlement is estimated at 467,000.
- Estimated number of Policies to receive automatic relief is 249,000.
- The Settlement provides guaranteed payouts amounting to \$27 million, itemized as follows:
  - At least \$12.25 million will be paid for Increased Death Benefit Relief and Cash Refund Relief for Policies that are premium-paying on the Implementation Date. This relief is not capped.
  - Estimated \$4 million of future Premium Reduction Relief. This relief is not capped.
  - Non Premium-Paying Relief Amount of at least \$5.25 million for Increased Death Benefit Relief and Cash Refund Relief for Inforce Policies that are not premium-paying on the Implementation Date. This relief is a floor and not capped. Any unused portion will be used to increase Death Benefits of Class Members who have Inforce Policies.
  - Estates and Matured Life Policy Relief Amount of at least \$5.5 million. This relief is a floor and not capped. Any unused portion will be used to increase Death Benefits of Class Members who have Inforce Policies.
- The settlement also provides for an additional benefit that is not guaranteed but is estimated at \$6 million for Unclaimed Benefits paid during the course of the Settlement.
- The above \$33 million total is augmented by a \$1 million Regulatory Enhancement that will be distributed by the Companies to premium paying policyholders entitled to Relief and persons entitled Unclaimed Benefit Relief under the Settlement.
- The Regulatory Settlement Agreement also provides for a Sanction Amount (fine) totaling \$1.25 million to be distributed among Participating States based on policy counts by State with a minimum payment of \$1,000.00 to any Participating State.